impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [12] and Rule 19b–4(f)(6) thereunder.[13]

A proposed rule change filed under Rule 19b–4(f)(6) [14] normally does not become operative for 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[15] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately. The Exchange requests that the Commission waive the 30-day operative delay so that the Exchange may afford the benefits of the ''waive-in'' membership process earlier and minimize the burden on FINRA members in applying to become a member of the Exchange. According to the Exchange, relieving this burden as soon as possible is important to enable LTSE to promptly establish the Exchange Board, of which Member Representative Directors shall be at least twenty percent of the Board.[16] For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[17]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–LTSE–2019–05 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–LTSE–2019–05. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–LTSE–2019–05, and should be submitted on or before January 24, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2019–28360 Filed 1–2–20; 8:45 am]

BILLING CODE 8011–01–P

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[14] 17 CFR 240.19b–4(f)(6).

[15] 17 CFR 240.19b–4(f)(6)(iii).

[16] *See* First Amended and Restated Bylaws of Long-Term Stock Exchange, Inc., art. 3 § 2 (Composition of the Board).

[17] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[18] 17 CFR 200.30–3(a)(12), (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87865; File No. SR–NYSEArca–2019–92]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To Adopt NYSE Arca Rule 8.601–E To Permit the Listing and Trading of Managed Portfolio Securities and To List and Trade Four Series of Managed Portfolio Securities Issued by T. Rowe Price Exchange-Traded Funds, Inc. Under Proposed NYSE Arca Rule 8.601–E

December 30, 2019.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on December 23, 2019, NYSE Arca, Inc. (''NYSE Arca'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to adopt a new NYSE Arca Rule 8.601–E to permit the Exchange to list and trade Managed Portfolio Securities, which are shares of an actively managed exchange-traded fund (''ETF'') for which the portfolio is disclosed quarterly. In addition, the Exchange proposes to list and trade shares of the following Managed Portfolio Securities under proposed new NYSE Arca Rule 8.601–E: T. Rowe Price Blue Chip Growth ETF; T. Rowe Price Dividend Growth ETF; T. Rowe Price Growth Stock ETF; and T. Rowe Price Equity Income ETF. The proposed change is available on the Exchange's website at *www.nyse.com,* at the principal office of the Exchange, and at

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to add new NYSE Arca Rule 8.601–E for the purpose of permitting the listing and trading, or trading pursuant to unlisted trading privileges (''UTP''), of Managed Portfolio Securities, which are securities issued by an actively managed open-end investment management company.

In addition to the above-mentioned proposed rule changes, the Exchange proposes to list and trade shares (''Shares'') of the following series of Managed Portfolio Securities under proposed new NYSE Arca Rule 8.601–E: T. Rowe Price Blue Chip Growth ETF, T. Rowe Price Dividend Growth ETF, T. Rowe Price Growth Stock ETF, and T. Rowe Price Equity Income ETF (each a ''Fund'' and, collectively, the ''Funds''). The investment adviser for the Funds will be T. Rowe Price Associates, Inc. (''Adviser'').

Proposed Listing Rules

Proposed Rule 8.601–E (a) provides that the Exchange will consider for trading, whether by listing or pursuant to UTP, Managed Portfolio Securities that meet the criteria of Rule 8.601–E.

Proposed Rule 8.601–E (b) provides that Rule 8.601–E is applicable only to Managed Portfolio Securities and that, except to the extent inconsistent with Rule 8.601–E, or unless the context otherwise requires, the rules and procedures of the Board of Directors will be applicable to the trading on the Exchange of such securities. Proposed Rule 8.601–E(b) provides further that Managed Portfolio Securities are included within the definition of ''security'' or ''securities'' as such terms are used in the Rules of the Exchange.

Proposed Rule 8.601–E(c) sets forth the applicable definitions related to Managed Portfolio Securities. Proposed Rule 8.601–E(c)(1) defines the term ''Managed Portfolio Security'' as a security that (a) is issued by a registered investment company (''Investment Company'') organized as an open-end management investment company that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number of shares equal to a Creation Unit, or multiples thereof, in return for a deposit by the purchaser of the ''Proxy Portfolio'' and/or cash, and (c) when aggregated in the same specified minimum number of shares, or multiples thereof, may be redeemed at a holder's request in return for a transfer of the Proxy Portfolio and/or cash to the holder by the issuer.

Proposed Rule 8.601–E(c)(2) defines the term ''Portfolio Positions'' as the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company's calculation of net asset value (''NAV'') at the end of the business day.

Proposed Rule 8.601–E(c)(3) defines the term ''Proxy Portfolio'' as a specified portfolio of securities, other financial instruments and/or cash that shall serve as the Managed Portfolio Security's identified hedging vehicle.

Proposed Rule 8.601–E(c)(4) defines the term ''Creation Unit'' as a specified minimum number of Managed Portfolio Securities.

Proposed Rule 8.601–E(c)(5) defines the term ''Reporting Authority'' in respect of a particular series of Managed Portfolio Securities as the Exchange, an institution, or a reporting service designated by the issuer or by the exchange that lists a particular series of Managed Portfolio Securities (if the Exchange is trading such series pursuant to UTP) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Portfolio Positions, NAV, or other information relating to the issuance, redemption or trading of Managed Portfolio Securities. A series of Managed Portfolio Securities may have more than one Reporting Authority, each having different functions.

Proposed Rule 8.601–E(c)(6) defines the term ''normal market conditions'' as including, but not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (*e.g.,* systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

Proposed Rule 8.601–E(d) sets forth initial and continued listing criteria applicable to Managed Portfolio Securities. Proposed Rule 8.601–E(d)(1) provides that each series of Managed Portfolio Securities will be listed and traded on the Exchange subject to application of the following initial listing criteria. Proposed Rule 8.601–E(d)(1)(A) provides that, for each series of Managed Portfolio Securities, the Exchange will establish a minimum number of Managed Portfolio Securities required to be outstanding at the time of commencement of trading on the Exchange. In addition, proposed Rule 8.601–E(d)(1)(B) provides that the Exchange will obtain a representation from the issuer of each series of Managed Portfolio Securities that the NAV per share for the series will be calculated daily and that the NAV and the Portfolio Positions will be made publicly available to all market participants at the same time.[4] Proposed Rule 8.601–E(d)(1)(C) provides that all Managed Portfolio Securities shall have a stated investment objective, which shall be adhered to under normal market conditions.

Proposed Rule 8.601–E(d)(2) provides that each series of Managed Portfolio Securities will be listed and traded subject to application of the following continued listing criteria: Proposed Rule 8.601–E(d)(2)(A)(i) provides that Portfolio Positions shall be disseminated quarterly and shall be made publicly available to all market participants at the same time Proposed Rule 8.601–E(d)(2)(B)(i) provides that the Proxy Portfolio will be made publicly available each day. Proposed Rule 8.601–E(d)(2)(C) provides that the Exchange will maintain surveillance procedures for securities listed under Rule 8.601–E and consider the suspension of trading in, and will commence delisting proceedings under Rule 5.5–E(m) for, a series of Managed Portfolio Securities under any of the following circumstances: (i) If any of the continued listing requirements set forth

[4] NYSE Arca Rule 7.18–E(d)(2) (Trading Halts of Derivative Securities Products Listed on the NYSE Arca Marketplace) provides that, with respect to Derivative Securities Products listed on the NYSE Arca Marketplace for which a NAV is disseminated, if the Exchange becomes aware that the NAV is not being disseminated to all market participants at the same time, it will halt trading in the affected Derivative Securities Product on the NYSE Arca Marketplace until such time as the NAV is available to all market participants.

in Rule 8.601–E are not continuously maintained; (ii) if any of the statements or representations regarding (a) the description of the portfolio, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules, specified in the Exchange's rule filing pursuant to Section 19(b) of the Securities Exchange Act of 1934 to permit the listing and trading of a series of Managed Portfolio Securities, is not continuously maintained; or (iii) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

Proposed Rule 8.601–E(d)(2)(D) provides that if a series of Managed Portfolio Securities is trading on the Exchange pursuant to UTP, the Exchange will halt trading in that series as specified in Rule 7.18–E(d)(1). In addition, upon notification to the Exchange by the issuer of a series of Managed Portfolio Securities that the NAV with respect to a series of Managed Portfolio Securities is not disseminated to all market participants at the same time, the Exchange shall halt trading in such series until such time as the NAV is available to all market participants at the same time. The Exchange may also halt trading at the request of the investment adviser to a series of Managed Portfolio Securities upon notification to the Exchange that the securities representing 10% or more of the Portfolio Positions for such series do not have readily available market quotations, and during times of unusual market volatility where a significant portion of such series' Portfolio Positions are subject to a trading halt or have a last trade price that the investment adviser deems unreliable, if the investment adviser determines that it is in the best interest of such series.

Proposed Rule 8.601–E(d)(2)(E) provides that, upon termination of an Investment Company, the Exchange requires that Managed Portfolio Securities issued in connection with such entity be removed from Exchange listing.

Proposed Rule 8.601–E(d)(2)(F) provides that voting rights will be as set forth in the applicable Investment Company prospectus.

Proposed Rule 8.601–E(e) relates to limitation of Exchange liability and provides that neither the Exchange, the Reporting Authority, nor any agent of the Exchange will have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the Investment Company in connection with issuance of Managed Portfolio Securities; the amount of any dividend equivalent payment or cash distribution to holders of Managed Portfolio Securities; NAV; or other information relating to the purchase, redemption, or trading of Managed Portfolio Securities, resulting from any negligent act or omission by the Exchange, the Reporting Authority or any agent of the Exchange, or any act, condition, or cause beyond the reasonable control of the Exchange, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

Proposed Commentary .01 to NYSE Arca Rule 8.601–E provides that the Exchange will file separate proposals under Section 19(b) of the Act before the listing and trading of a series of Managed Portfolio Securities. Proposed Commentary .01 further provides that all statements or representations contained in such rule filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules specified in such rule filing will constitute continued listing requirements. An issuer of such securities must notify the Exchange of any failure to comply with such continued listing requirements.

Proposed Commentary .02 to NYSE Arca Rule 8.601–E provides that transactions in Managed Portfolio Securities will occur during the trading hours specified in NYSE Arca Rule 7.34–E(a).

Proposed Commentary .03 to NYSE Arca Rule 8.601–E provides that the Exchange will implement and maintain written surveillance procedures for Managed Portfolio Securities.

Proposed Commentary .04 to NYSE Arca Rule 8.601–E provides that, if the investment adviser to the Investment Company issuing Managed Portfolio Securities is affiliated with a broker-dealer, such investment adviser will erect and maintain a ''fire wall'' between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.[5]

Key Features of Managed Portfolio Securities

While funds issuing Managed Portfolio Securities will be actively-managed and, to that extent, will be similar to Managed Fund Shares listed and traded under NYSE Arca Rule 8.600–E,[6] Managed Portfolio Securities differ from Managed Fund Shares in the following important respects. First, in contrast to Managed Fund Shares, for which the fund's ''Disclosed Portfolio'' is required to be disseminated at least once daily,[7] the full portfolio holdings for a series of Managed Portfolio Securities will not be made available on a daily basis. Rather, the Portfolio Positions will be disclosed quarterly in accordance and in compliance with the portfolio holdings disclosure requirements applicable to other registered open-end funds, including traditional mutual funds.[8] Second, in connection with the creation and redemption of shares, such creation or redemption will be in a Creation Unit size and may be in exchange for an in-kind basket of securities, which will be

[5] The Exchange will propose applicable NYSE Arca listing fees for Managed Portfolio Securities in the NYSE Arca Equities Schedule of Fees and Charges in a separate proposed rule change.

[6] The Commission has previously approved listing and trading on the Exchange of a number of issues of Managed Fund Shares under Rule 8.600. *See, e.g.,* Securities Exchange Act Release Nos. 57801 (May 8, 2008), 73 FR 27878 (May 14, 2008) (SR–NYSEArca–2008–31) (order approving Exchange listing and trading of twelve actively-managed funds of the WisdomTree Trust); 76871 (January 11, 2016), 81 FR 2261 (January 15, 2016) (SR–NYSEArca–2015–114) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to List and Trade Shares of the Market Vectors Dynamic Put Write ETF under NYSE Arca Equities Rule 8.600); 86636 (August 12, 2019), 84 FR 42030 (August 16, 2019) (SR–NYSEArca–2018–98) (Notice of Filing of Amendment No. 4 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 4, to List and Trade Shares of the iShares Commodity Multi-Strategy ETF under NYSE Arca Rule 8.600–E).

[7] NYSE Arca Rule 8.600–E(c)(2) defines the term ''Disclosed Portfolio'' as the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company's calculation of NAV at the end of the Business Day. NYSE Arca Rule 8.600–E(d)(2)(B)(i) requires that the Disclosed Portfolio be disseminated at least once daily and be made available to all market participants at the same time.

[8] A mutual fund is required to file with the Commission Form N–CEN under the Investment Company Act of 1940 (''1940 Act'') within 75 days of the end of the fiscal year, and is required to file its complete portfolio schedules on a monthly basis on Form N–PORT under the 1940 Act within 30 days of the end of each month. These forms are available to the public on the Commission's website at *www.sec.gov.*

a fund's Proxy Portfolio with a value equal to the prior day's NAV, rather than the ''Disclosed Portfolio'' applicable to Managed Fund Shares. With respect to the Funds, Shares will generally be issued and redeemed primarily on an in-kind basis, but may include cash under certain circumstances as described in the ''Application,'' as described below.[9]

Hedging Vehicle and Portfolio Positions

The Proxy Portfolio is designed to serve as a pricing signal for low-risk arbitrage trades in shares of Managed Portfolio Securities generally. With respect to the Funds, in order to provide a hedging vehicle whose performance reliably and highly correlates to the NAV of the relevant Fund, and that is liquid and trades synchronously with the Shares of the Funds,[10] a Fund's Portfolio Positions will (a) be listed on an exchange and the primary trading session of such exchange will substantially overlap with the Exchange's Core Trading Session, as defined in Rule 7.34–E(a); (b) with respect to exchange-traded futures, be listed on a U.S. futures exchange; or (c) consist of cash and cash equivalents.

Consistent with these representations, each Fund will only invest in exchange-traded common stocks, common stocks listed on a foreign exchange that trade on such exchange synchronously with the Shares (''foreign common stocks''), ETFs,[11] exchange-traded notes (''ETNs''),[12] exchange-traded preferred stocks, exchange-traded American Depositary Receipts (''ADRs''),[13] exchange-traded real estate investment trusts, exchange-traded commodity pools, exchange-traded metals trusts, exchange-traded currency trusts and exchange-traded futures contracts [14] (collectively, ''exchange-traded instruments'') that trade synchronously with the Fund's Shares, as well as cash and cash equivalents.[15] For purposes of this filing, cash equivalents are short-term U.S. Treasury securities, government money market funds, and repurchase agreements.

With respect to the Funds, the Adviser will identify each Fund's Proxy Portfolio, which could be a broad-based securities index (*e.g.,* the S&P 500) or a Fund's recently disclosed portfolio holdings. Each Fund will consistently invest such that at least 80% of its total assets will overlap with the portfolio weightings in its identified Proxy Portfolio. Although the Adviser may change a Fund's Proxy Portfolio at any time, the Adviser currently does not expect to make such changes more frequently than quarterly (for example, in connection with the release of a Fund's portfolio holdings). The Adviser will publish a new Proxy Portfolio for a Fund only before the commencement of trading of such Fund's Shares on that ''Business Day'',[16] and the Adviser will not make intra-day changes to the Proxy Portfolio except to correct errors in the published Proxy Portfolio. For the reasons described below, the Adviser believes that each Fund's Proxy Portfolio will be a high-quality hedging vehicle, the value of which will provide arbitrageurs with a high quality pricing signal.

The Proxy Portfolio will not include any asset that is ineligible to be a Portfolio Position in the applicable Fund.

In addition, on each Business Day, before commencement of trading of Shares, the ''Portfolio Overlap'' (as defined below) will be published on each Fund's website. The Portfolio Overlap will be the percentage weight overlap between the prior Business Day's Proxy Portfolio's holdings compared to the holdings of the Fund that formed the basis for that Fund's calculation of NAV at the end of the prior Business Day.[17] In addition, each Fund will disclose the ''Daily Deviation'' (as defined below) between the Proxy Portfolio and a Fund daily, as well as ''Empirical Percentiles'' (as defined below), which are quantitative summaries of the Daily Deviation data for the last year. Each Fund will also disclose its ''Tracking Error'' (as defined below).

According to the Application, the Adviser expects that the Proxy Portfolio, the Portfolio Overlap, the Daily Deviations and related information will provide a set of high-quality proxy information that arbitrageurs will use to construct a hedging basket. The Portfolio Overlap, Daily Deviation, and Empirical Percentile data will help arbitrageurs by describing the market behavior of the Proxy Portfolio and how it relates to a Fund's portfolio holdings, and by providing historical valuation data and analysis.

Indicative Net Asset Value

With respect to the Funds, for each Fund, an estimated value—the Indicative Net Asset Value (''INAV'')—will be disseminated that reflects an estimated intraday value of a Fund's portfolio. The INAV will represent, on a per Share basis, the current value of a Fund's portfolio holdings (including liabilities) and will be widely disseminated every 15 seconds throughout the Core Trading Session by the Reporting Authority and/or by one or more major market data vendors. The dissemination of the INAV will allow investors to determine the estimated intraday value of the underlying portfolio of a series of Managed Portfolio Securities on a daily basis and will provide a close estimate of that value throughout the trading day. The INAV should not be viewed as a ''real-time'' update of the NAV per Share of each Fund because the INAV may not be calculated in the same manner as the NAV, which will be computed once a day, generally at the end of the Business Day. Unlike the INAV, which will be based on consolidated last sale information, the NAV per Share will be based on the closing prices on the primary market for each exchange-listed security. If there is no closing price for a particular exchange listed security, such as when it is the subject of a trading halt, a Fund will use fair value pricing. To the extent a security's last trade price is stale or otherwise inaccurate, the Adviser's ''Valuation

[9] *See* note 20 [sic], *infra.*

[10] The Adviser will deem the securities in a Proxy Portfolio to trade synchronously with Shares of a Fund if the primary trading session of the securities in the Proxy Portfolio substantially overlaps with the Exchange's Core Trading Session (normally 9:30 a.m. to 4:00 p.m., Eastern Time (''E.T.'').

[11] For purposes of this filing, ETFs include Investment Company Units (as described in NYSE Arca Rule 5.2–E(j)(3)); Portfolio Depositary Receipts (as described in NYSE Arca Rule 8.100–E); and Managed Fund Shares (as described in NYSE Arca Rule 8.600–E). The ETFs all will be listed and traded in the U.S. on registered exchanges.

[12] ETNs are securities as described in NYSE Arca Rule 5.2–E(j)(6) (Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed Income Index-Linked Securities, Futures-Linked Securities and Multifactor Index-Linked Securities).

[13] ADRs are issued by a U.S. financial institution (a ''depositary'') and evidence ownership in a security or pool of securities issued by a foreign issuer that have been deposited with the depositary. Each ADR is registered under the Securities Act of 1933 (''1933 Act'') (15 U.S.C. 77a) on Form F–6. ADRs in which a Fund may invest will trade on an exchange.

[14] Exchange-traded futures are U.S. listed futures contracts where the futures contract's reference asset is an asset that the Fund could invest in directly, or in the case of an index future, is based on an index of a type of asset that the Fund could invest in directly, such as an S&P 500 index futures contract. All futures contracts that a Fund may invest in will be traded on a U.S. futures exchange.

[15] The Adviser will notify the Exchange at any time that the securities representing 10% or more of a Fund's Portfolio Positions do not have readily available market quotations, and will request the Exchange to halt trading in such Fund's Shares.

[16] ''Business Day'' is defined to mean any day that the Exchange is open, including any day when a Fund satisfies redemption requests as required by section 22(e) of the 1940 Act.

[17] According to the Application, the Portfolio Overlap will be calculated by taking the lesser weight of each asset held in common between a Fund's portfolio and the Proxy Portfolio, and adding the totals.

Committee'' will implement any fair valuation adjustments as necessary or appropriate pursuant to the applicable Fund's valuation procedures.

An independent INAV provider will calculate the INAV for each Fund during the Exchange's Core Trading Session by dividing the ''Intraday Fund Value'' (as defined below) as of the time of the calculation by the total number of outstanding Shares of that Fund. ''Intraday Fund Value'' is the sum of the Fund's assets, including the amount of cash held in a Fund's portfolio, the amount of accrued assets, such as interest, dividends and distributions owed to a Fund, and the value of the securities held in a Fund's portfolio, minus the amount of a Fund's accrued liabilities as of a Fund's previous day's NAV calculation. The Intraday Fund Value is also based on intraday estimates of securities values. A Fund's INAV will represent a Fund's estimated NAV, which will be the value of the Fund's Portfolio Positions, on a per Share basis.[18]

According to the Application, the Funds will adopt uniform procedures governing the calculation and dissemination of the INAV, and the Adviser will bear responsibility for the oversight of that process (''INAV Procedures''). The Adviser will also, as part of that oversight process, periodically, but no less than annually, review the INAV Procedures. Any material changes to the procedures will be submitted to the Funds' Audit Committee for review.

With respect to funds utilizing an INAV, the Exchange, after consulting with various Lead Market Makers that trade ETFs on the Exchange, believes that market makers will be able to make efficient and liquid markets priced near the NAV given daily publication of the Proxy Portfolio and dissemination of an accurate INAV every 15 seconds, and that market makers have knowledge of a series of Managed Portfolio Securities' means of achieving its investment objective, even without daily disclosure of its underlying portfolio. With respect to the Funds, the Exchange believes that the information proposed to be provided will build upon and be similar to the pricing signals of existing ETFs such that the market price of Shares will closely track the relevant Fund's NAV and reflect minimal intraday and end-of-day premiums/discounts to NAV and narrow spreads without market makers' knowledge of a Fund's underlying portfolio.

The Exchange understands that, with respect to funds utilizing an INAV, traders will analyze the correlation between changes in the value of a fund's Proxy Portfolio against changes in the INAV to determine whether and how to engage in arbitrage transactions and hedge their positions. The ''Daily Deviation'' (as described below) and related summary data will help them in this determination by describing the market behavior of the Proxy Portfolio and how it relates to a fund's portfolio holdings, and by providing historical valuation data and analysis. Taken together, with respect to the Funds, the Adviser expects that all of this information will provide market participants with high-quality pricing signals for the Funds, which will be comparable to the pricing signals arbitrageurs use for existing ETFs, and which will enable arbitrageurs to engage in transactions that will keep the intraday premiums/discounts and spreads of Shares low.

Market makers have indicated to the Exchange that there will be sufficient data to engage in arbitrage trades in Managed Portfolio Securities with accuracy and minimal risk. In addition, market makers have indicated that they are incented to engage in arbitrage trades when the risk of the trade is low. However, they cannot know with any certainty the precise risk of an arbitrage trade on the current or any future Business Day. Rather, they must use information from the past to evaluate the likely risk of an arbitrage trade executed today or in the future. More specifically, it is understood that they must use historical data about the performance of the fund whose shares are being arbitraged and the performance of the fund's Proxy Portfolio. From such data, arbitrageurs may be able to develop sufficient insight into the risk of an arbitrage trade to evaluate and price it into the trade.

With respect to the Funds, each Fund will disclose its Tracking Error. The Adviser defines ''Tracking Error'' to mean the standard deviation over the past three months of the daily proxy spread (*i.e.,* the difference, in percentage terms, between the Proxy Portfolio's per Share NAV and that of a Fund at the end of the trading day). Tracking Error measures the ability of the Proxy Portfolio to accurately reflect changes in a Fund's NAV and allows arbitrageurs to estimate the risk of large daily proxy spreads by examining the variability of daily proxy spreads over the past year. The Adviser will calculate and disclose daily each Fund's Tracking Error over the preceding rolling one-year period. Upon inception, each Fund's Tracking Error data will be updated daily to increasingly reflect the current proxy spread of a Fund.

Additionally, data would be provided regarding past performance or value between each Fund's NAV and the performance of its Proxy Portfolio to evaluate and price the risk of arbitrage trades in a Fund's Shares, in the form of ''Daily Deviation,'' ''Empirical Percentiles,'' and ''Portfolio Overlap,'' as described below.[19]

Each Fund will disseminate a ''Daily Deviation'' between the performance of a Fund's NAV and its Proxy Portfolio for the most recent rolling one-year period. The Daily Deviation is calculated each day of the most recent rolling one-year period as the difference between the performance of a Fund's NAV and its Proxy Portfolio's NAV.[20] As such, each Daily Deviation directly captures the performance difference between a Fund's Proxy Portfolio and its NAV on one trading day during the measured period. The Daily Deviation can be calculated over any number of Business Days. The Adviser proposes to provide data for the most recent one-year period (rolling, and updated on a daily basis). The Adviser believes this level of data will be sufficient for arbitrageurs to develop the necessary insights into the relationship between the performance of a Fund's Proxy Portfolio and its NAV. In particular, with such data, arbitrageurs will be able to examine the reported Daily Deviations over any desired interval during the one-year period to evaluate the degree of risk involved in entering into an arbitrage trade in a Fund's Shares, using the Proxy Portfolio to hedge an open position in the Shares.

There would be a summary of the Daily Deviation data in the form of a series of ''Empirical Percentiles.'' More specifically, the Adviser will tabulate and disclose Empirical Percentiles of Daily Deviations, over the past one-year period, at the following levels: 99%, 95%, 90%, 75%, 50%, 25%, 10%, 5% and 1%. Each Empirical Percentile represents the value of Daily Deviations (in basis points) exceeded by a specific percentage of all Daily Deviations over the past year. For example, the 99%

[18] The INAV for a Fund for a given day T will be calculated by the INAV provider using the portfolio holdings from the previous day, T–1, as provided by the Fund custodian prior to the open of trading on day T.

[19] The data will be disclosed on the Funds' website.

[20] The Adviser will calculate and disclose daily each Fund's Tracking Error, Daily Deviations and ''Empirical Percentiles'' (as defined below) over the preceding rolling one-year period. Upon inception, each Fund's Portfolio Overlap, Tracking Error, Daily Deviation and Empirical Percentile data will be updated daily to increasingly reflect the performance of a Fund.

Empirical Percentile tells arbitrageurs that only 1% of all Daily Deviations over the past year exceeded a specified number of basis points. In this way, the Empirical Percentiles allow arbitrageurs to better predict the likelihood of a Daily Deviation being more than such specified number of basis points. The Empirical Percentiles give arbitrageurs differing levels of confidence that Daily Deviations will be confined to a certain number of basis points.

In addition, a Portfolio Overlap will be calculated for each Fund by taking the lesser weight of each asset held in common between a Fund's portfolio and the Proxy Portfolio, and adding the totals. The Adviser will calculate and disseminate the Portfolio Overlap each Business Day on the Funds' website prior to the commencement of trading on the Exchange's Core Trading Session. The Adviser believes that the Portfolio Overlap will support the use of the Proxy Portfolio by arbitrageurs in determining hedging transactions.

The Adviser believes further that, under the circumstances described, given the high degree of overlap, the high correlation and low Tracking Error between each Fund's Portfolio Positions and its Proxy Portfolio, arbitrageurs will be able to use the Proxy Portfolio as a high-quality hedging vehicle for a Fund. Arbitrageurs will know the Daily Deviation for the last rolling one-year period between a Fund and its Proxy Portfolio, the Empirical Percentiles and the Tracking Error. Together, the Adviser believes that these measures will help arbitrageurs to evaluate and mitigate the risk of an arbitrage trade in Shares and to use the Proxy Portfolio as a hedging vehicle for open positions in Shares.

Description of the Funds and the Issuer

The Shares of each Fund will be issued by T. Rowe Price Exchange-Traded Funds, Inc. (''Issuer''), a corporation organized under the laws of the State of Maryland, which may be comprised of multiple separate series, and registered with the Commission as an open-end management investment company.[21] State Street Bank and Trust Co. will serve as the Funds' transfer agent, administrator and custodian (the ''Transfer Agent'', ''Administrator'', or ''Custodian''). T. Rowe Price Investment Services, Inc., a registered broker dealer and an affiliate of the Adviser, will serve as the distributor (''Distributor'') of the Shares.

As noted above, proposed Commentary .04 to Rule 8.601–E provides that, if the investment adviser to the Investment Company issuing Managed Portfolio Securities is affiliated with a broker-dealer, such investment adviser must erect and maintain a ''fire wall'' between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio.[22] In addition, proposed Commentary .04 further requires that personnel who make decisions on the open-end fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the open-end fund's portfolio. Proposed Commentary .04 to Rule 8.601–E is similar to Commentary .03(a)(i) and (iii) to NYSE Arca Rule 5.2–E(j)(3). However, Commentary .04, in connection with the establishment of a ''fire wall'' between the investment adviser and the broker-dealer, reflects the applicable open-end fund's portfolio, not an underlying benchmark index, as is the case with index-based funds. The Adviser is not registered as a broker-dealer but the Adviser is affiliated with a broker-dealer and has implemented a ''fire wall'' with respect to such broker-dealer regarding access to information concerning the composition and/or changes to a Fund's portfolio. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

Description of the Funds

According to the Application, for each Fund, the Adviser will identify its Proxy Portfolio, which could be a broad-based securities index (*e.g.,* the S&P 500) or a Fund's recently disclosed portfolio holdings. The Proxy Portfolio will be determined such that at least 80% of its total assets will overlap with the portfolio weightings of a Fund. Although the Adviser may change a Fund's Proxy Portfolio at any time, the Adviser currently does not expect to make such changes more frequently than quarterly (for example, in connection with the release of a Fund's portfolio holdings). The Adviser will publish a new Proxy Portfolio for a Fund only before the commencement of trading of such Fund's Shares on that Business Day, and the Adviser will not make intra-day changes to the Proxy Portfolio except to correct errors in the published Proxy Portfolio.

T. Rowe Price Blue Chip Growth ETF

The investment objective of the T. Rowe Price Blue Chip Growth ETF will be to seek to provide long-term capital growth. Income will be a secondary objective.

The Fund will invest only in exchange-traded securities, exchange-traded futures, cash, and cash equivalents. The Fund will normally invest at least 80% of its net assets in U.S. exchange-traded common stocks of large and medium-sized blue-chip growth companies. These are companies that, in the Adviser's view, are well established in their industries and have the potential for above-average earnings growth.

T. Rowe Price Dividend Growth ETF

The investment objective of the T. Rowe Price Dividend Growth ETF will

[21] The Issuer is registered under the 1940 Act. On December 11, 2019, the Issuer filed a registration statement on Form N–1A under the 1933 Act, and under the 1940 Act relating to the Funds (File Nos.333–235450 and 811–23494) (the ''Registration Statement''). The Issuer filed a seventh amended application for an order under Section 6(c) of the 1940 Act for exemptions from various provisions of the 1940 Act and rules thereunder (File No. 812–14214), dated October 16, 2019 (''Application''). On December 10, 2019, the Commission issued an order (''Exemptive Order'') under the 1940 Act granting the exemptions requested in the Application (Investment Company Act Release No. 33713, December 10, 2019). Investments made by the Funds will comply with the conditions set forth in the Application and the Exemptive Order. The description of the operation of the Funds herein is based, in part, on the Registration Statement and the Application.

[22] An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the ''Advisers Act''). As a result, the Adviser and its related personnel will be subject to the provisions of Rule 204A–1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A–1 under the Advisers Act. In addition, Rule 206(4)–7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violations, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

be to seek dividend income and long-term capital growth primarily through investments in stocks.

The Fund will invest only in exchange-traded securities, U.S. exchange-traded futures, cash, and cash equivalents. The Fund normally will invest at least 65% of the Fund's total assets in stocks listed in the United States, with an emphasis on stocks that have a strong track record of paying dividends or that are expected to increase their dividends over time.

T. Rowe Price Growth Stock ETF

The investment objective of the T. Rowe Price Growth Stock ETF will be to seek long-term capital growth through investments in stocks.

The Fund will invest only in exchange-traded securities, U.S. exchange-traded futures, cash, and cash equivalents. The Fund will normally invest at least 80% of its net assets in the common stocks of a diversified group of growth companies. While it may invest in companies of any market capitalization, the Fund generally seeks investments in stocks of large-capitalization companies with one or more of the following characteristics: Strong cash flow and an above-average rate of earnings growth; the ability to sustain earnings momentum during economic downturns; and occupation of a lucrative niche in the economy and the ability to expand even during times of slow economic growth.

T. Rowe Price Equity Income ETF

The investment objective of the T. Rowe Price Equity Income ETF will be to seek a high level of dividend income and long-term capital growth primarily through investments in stocks.

The Fund will invest only in exchange-traded securities, U.S. exchange-traded futures, cash, and cash equivalents. The Fund will normally invest at least 80% of its net assets in common stocks listed in the United States, with an emphasis on large-capitalization stocks that have a strong track record of paying dividends or that are believed to be undervalued. The Fund typically will employ a ''value'' approach in selecting investments.

Investment Restrictions

The Shares of each Fund will conform to the initial and continued listing criteria under proposed Rule 8.601–E.

Each Fund's investments will be consistent with its investment objective. The Funds will not invest in penny stocks as defined by Rule 3a51–1 under the Act. No Fund will borrow for investment purposes, hold short positions or purchase any securities that are illiquid investments (as defined in Rule 22e–4(a)(8) under the 1940 Act) at the time of purchase.

Purchases and Redemptions

General

The Issuer will offer, issue and sell Shares of each Fund to investors only in Creation Units through the Distributor on a continuous basis at the NAV per Share next determined after an order in proper form is received. The NAV of each Fund is expected to be determined as of 4:00 p.m. E.T. on each Business Day. The Issuer will sell and redeem Creation Units of each Fund only on a Business Day. A Creation Unit will consist of at least 5,000 Shares. Creation Units of the Funds may be purchased and/or redeemed entirely for cash, as permissible under the procedures described below.

Shares will be purchased and redeemed in Creation Units and generally on an in-kind basis. Accordingly, except where the purchase or redemption will include cash under the circumstances specified below, purchasers will be required to purchase Creation Units by making an in-kind deposit of specified instruments (''Deposit Instruments''), and shareholders redeeming their Shares will receive an in-kind transfer of specified instruments (''Redemption Instruments''). The names and quantities of the instruments that constitute the Deposit Instruments and the Redemption Instruments for a Fund (collectively, the ''Creation Basket'') will be the same as a Fund's designated Proxy Portfolio, except to the extent that a Fund requires purchases and redemptions to be made entirely or in part on a cash basis, as described below.

If there is a difference between the net asset value attributable to a Creation Unit and the aggregate market value of the Creation Basket exchanged for the Creation Unit, the party conveying instruments with the lower value will also pay to the other an amount in cash equal to that difference (the ''Cash Amount'').

Each Fund will adopt and implement policies and procedures regarding the composition of its Creation Baskets. The policies and procedures will set forth detailed parameters for the construction and acceptance of baskets that are in the best interests of a Fund, including the process for any revisions to or deviations from, those parameters. A Fund's basket policies and procedures would be covered by its compliance program and other requirements under rule 38a–1 of the 1940 Act.

A Fund that normally issues and redeems Creation Units in kind may require purchases and redemptions to be made entirely or in part on a cash basis.[23] In such an instance, the Fund will announce, before the open of trading on a given Business Day, that all purchases, all redemptions or all purchases and redemptions on that day will be made wholly or partly in cash. A Fund may also determine, upon receiving a purchase or redemption order from an Authorized Participant (as defined below), to have the purchase or redemption, as applicable, be made entirely or in part in cash.

Each Business Day, before the open of trading on the Exchange, the Fund will cause to be published through the National Securities Clearing Corporation (''NSCC'') the names and quantities of the instruments comprising the Creation Basket, as well as the estimated Cash Amount (if any) for that day. The published Creation Basket will apply until a new Creation Basket is announced on the following Business Day, and there will be no intra-day changes to the Creation Basket except to correct errors in the published Creation Basket. The Proxy Portfolio will be published each Business Day regardless of whether a Fund decides to issue or redeem Creation Units entirely or in part on a cash basis.

All orders to purchase Creation Units must be placed with the Distributor by or through an Authorized Participant, which is generally either: (1) A ''participating party,'' *i.e.,* a broker or other participant, in the Continuous Net Settlement (''CNS'') System of the NSCC, a clearing agency registered with the Commission and affiliated with the Depository Trust Company (''DTC''), or (2) a DTC Participant, which in any case has executed a participant agreement with the Distributor and the transfer agent with respect to the creation and redemption of Creation Units (''Participant Agreement''). Except as otherwise permitted, no promoter, principal underwriter (*e.g.,* the Distributor) or affiliated person of a Fund, or any affiliated person of such person, will be an Authorized Participant in Shares.

Timing

Validly submitted orders to purchase or redeem Creation Units on each Business Day will be accepted until the end of the Core Trading Session (the ''Order Cut-Off Time''), generally 4:00

[23] The Adviser represents that, to the extent the Issuer effects the creation or redemption of Shares in cash, such transactions will be effected in the same manner for all ''Authorized Participants'' (as defined below).

p.m. E.T., on the Business Day that the order is placed (the ''Transmittal Date''). All Creation Unit orders must be received by the Distributor no later than the Order Cut-Off Time in order to receive the NAV determined on the Transmittal Date. When the Exchange closes earlier than normal, a Fund may require orders for Creation Units to be placed earlier in the Business Day.

Availability of Information

The Funds' website, which will be publicly available at no charge prior to the public offering of Shares, will include a prospectus for each Fund that may be downloaded. In addition, the website will include the following:

• Quantitative information updated on a daily basis, including, on a per Share basis for each Fund, the prior Business Day's NAV and the Closing Price [24] or Bid/Ask Price of Shares, and a calculation of the premium/discount of the Closing Price or Bid/Ask Price [25] against such NAV and any other information regarding premiums and discounts as may be required for other ETFs under rule 6c–11 under the 1940 Act. The website will also disclose any information regarding the bid-ask spread for each Fund as may be required for other ETFs under rule 6c–11 under the 1940 Act.

• Each Fund's Proxy Portfolio, as well as the Portfolio Overlap, Daily Deviation (for the last rolling one-year period), Empirical Percentiles and Tracking Error of the Proxy Portfolio.

• Each Fund's Tracking Error.

• Bid-ask spread information for each Fund.

• A legend that will highlight for investors the differences between a Fund and Managed Fund Shares (which are actively-managed investment company securities such as those listed under NYSE Arca Rule 8.600–E). The legend will state that, unlike actively-managed ETFs such as Managed Fund Shares, a Fund does not disclose its portfolio holdings each day, but instead publishes a Proxy Portfolio each day during normal trading hours. The legend will also include prominently in clear bullet style the risks of a Fund relative to other ETFs.

Investors interested in a particular Fund can also obtain its prospectus, statement of additional information (''SAI''), shareholder reports, Form N–CSR and Form N–CEN. The prospectus, SAI and shareholder reports will be available free upon request from the Funds, and those documents and the Form N–CSR and Form N–CEN may be viewed on-screen or downloaded from the Commission's website at *http://www.sec.gov.*

Information regarding the market price of Shares and trading volume in Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The previous day's closing price and trading volume information may be published daily in the financial section of newspapers. Further, the Exchange will disseminate every 15 seconds throughout the Core Trading Session through the facilities of the Consolidated Tape Association (''CTA'') or other widely disseminated means each Fund's INAV.

Dissemination of the INAV

The INAV for each Fund will be disseminated every 15 seconds during the Exchange's Core Trading Session. The INAV should not be viewed as a ''real-time'' update of NAV because the INAV may not be calculated in the same manner as NAV, which is computed once per day.

An independent third party provider will calculate the INAV for each Fund during the Exchange's Core Trading Session by dividing the ''Intraday Fund Value'' (as defined below) as of the time of the calculation by the total number of outstanding Shares of that Fund. ''Intraday Fund Value'' is the sum of a Fund's assets, including the amount of cash held in a Fund's portfolio, the amount of accrued assets, such as interest, dividends and distributions owed to a Fund, and the value of the securities held in a Fund's portfolio, minus the amount of a Fund's accrued liabilities as of a Fund's previous day's NAV calculation. The Intraday Fund Value is also based on intraday estimates of securities values.

The Funds will provide the independent third party provider with information to calculate the INAV. Dissemination of the INAV will allow investors to determine the value of the underlying portfolio of a Fund throughout the trading day.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Funds.[26] Trading in Shares of the Funds will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include the extent to which trading is not occurring in the securities and/or the financial instruments comprising the holdings of a Fund, or whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in the Shares will be subject to NYSE Arca Rule 8.601–E(d)(2)(D), which sets forth circumstances under which Shares of the Funds may be halted.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. in accordance with NYSE Arca Rule 7.34–E (Opening, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6–E, the minimum price variation (''MPV'') for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Rule 8.601–E. The Exchange represents that, for initial and/or continued listing, each Fund will be in compliance with Rule 10A–3 under the Act,[27] as provided by NYSE Arca Rule 5.3–E. The Exchange will obtain a representation from the Issuer of the Shares of each Fund that the NAV per Share of each Fund will be calculated daily and will be made available to all market participants at the same time.

Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority (''FINRA'') on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.[28] The Exchange

[24] The ''Closing Price'' of Shares is the official closing price of Shares on the Exchange's Core Trading Session.

[25] The ''Bid/Ask Price'' is the midpoint of the highest bid and lowest offer based on the National Best Bid and Offer at the time that a Fund's NAV is calculated. The ''National Best Bid and Offer'' is the current national best bid and national best offer as disseminated by the Consolidated Quotation System or UTP Plan Securities Information Processor.

[26] *See* NYSE Arca Rule 7.12–E.

[27] *See* 17 CFR 240.10A–3.

[28] FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The

Continued

represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, certain exchange-traded equities, ETFs, ETNs and futures with other markets and other entities that are members of the Intermarket Surveillance Group (''ISG''), and FINRA, on behalf of the Exchange, may obtain trading information regarding trading such securities and financial instruments from such markets and other entities. In addition, the Exchange may obtain information regarding trading in such securities and financial instruments from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.[29]

The Funds' Adviser will make available to FINRA and the Exchange the portfolio holdings of each Fund in order to facilitate the performance of the surveillances referred to above on a confidential basis.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit (''ETP'') Holders in an Information Bulletin (''Bulletin'') of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares and the differing rights of various investors to redeem Shares; (2) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated INAV will not be calculated or publicly disseminated; (4) how information regarding the INAV is disseminated; (5) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Bulletin will reference that the Funds are subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares will be calculated as of 4:00 p.m. E.T. each trading day.

The Exchange notes that the proposed change is not otherwise intended to address any other issues and that the Exchange is not aware of any problems that Equity Trading Permit Holders or issuers would have in complying with the proposed change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[30] in general, and furthers the objectives of Section 6(b)(5) of the Act,[31] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Exchange believes that proposed Rule 8.601–E is designed to prevent fraudulent and manipulative acts and practices in that the proposed rules relating to listing and trading of Managed Portfolio Securities provide specific initial and continued listing criteria required to be met by such securities. Proposed Rule 8.601–E(d) sets forth initial and continued listing criteria applicable to Managed Portfolio Securities. Proposed Rule 8.601–E(d)(1)(A) provides that, for each series of Managed Portfolio Securities, the Exchange will establish a minimum number of Managed Portfolio Securities required to be outstanding at the time of commencement of trading. In addition, proposed Rule 8.601–E(d)(1)(B) provides that the Exchange will obtain a representation from the issuer of each series of Managed Portfolio Securities that the NAV per share for the series will be calculated daily and that the NAV and the Portfolio Positions will be made publicly available to all market participants at the same time. Proposed Rule 8.601–E(d)(1)(C) provides that all Managed Portfolio Securities shall have a stated objective, which shall be adhered to under normal market conditions.

Proposed Rule 8.601–E(d)(2) provides that each series of Managed Portfolio Securities will be listed and traded subject to application of the specified continued listing criteria, as described above. Proposed Rule 8.601–E(d)(2)(A)(i) provides that the Portfolio Positions shall be disseminated quarterly and shall be made publicly available to all market participants at the same time. Proposed Rule 8.601–E(d)(2)(C) provides that the Exchange will maintain surveillance procedures for securities listed under Rule 8.601–E and consider the suspension of trading in, and will commence delisting proceedings under Rule 5.5–E(m) for, a series of Managed Portfolio Securities under any of the following circumstances: (i) If any of the continued listing requirements set forth in Rule 8.601–E are not continuously maintained; (ii) if any of the statements or representations regarding (a) the description of the portfolio, (b) limitations on portfolio holdings, or (c) the applicability of Exchange listing rules, specified in the Exchange's rule filing pursuant to Section 19(b) of the Securities Exchange Act of 1934 to permit the listing and trading of a series of Managed Portfolio Securities, is not continuously maintained; or (iii) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

Proposed Rule 8.601–E(d)(1)(D) provides that, if a series of Managed Portfolio Securities is trading on the Exchange pursuant to unlisted trading privileges, the Exchange shall halt trading in that series as specified in Rule 7.18–E(d)(1). In addition, upon notification to the Exchange by the issuer of a series of Managed Portfolio Securities that the NAV with respect to a series of Managed Portfolio Securities is not disseminated to all market participants at the same time, the Exchange shall halt trading in such series until such time as the NAV is available to all market participants at the same time. The Exchange may also halt trading at the request of the investment adviser to a series of Managed Portfolio Securities upon notification to the Exchange that the

Exchange is responsible for FINRA's performance under this regulatory services agreement.

[29] For a list of the current members of ISG, *see www.isgportal.org.*

[30] 15 U.S.C. 78f(b).

[31] 15 U.S.C. 78f(b)(5).

securities representing 10% or more of the Portfolio Positions for such series do not have readily available market quotations, and during times of unusual market volatility where a significant portion of such series' Portfolio Positions are subject to a trading halt or have a last trade price that the investment adviser deems unreliable, if the investment adviser determines that it is in the best interest of such series.

Proposed Commentary .01 provides that the Exchange will file separate proposals under Section 19(b) of the Act before the listing and trading of a series of Managed Portfolio Securities. An issuer of such securities must notify the Exchange of any failure to comply with such continued listing requirements.

Proposed Commentary .03 provides that the Exchange will implement and maintain written surveillance procedures for Managed Portfolio Securities. Proposed Commentary .04 provides that if the investment adviser to the Investment Company issuing Managed Portfolio Securities is affiliated with a broker-dealer, such investment adviser will erect and maintain a ''fire wall'' between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.

With respect to the proposed listing and trading of Shares of the Funds, the Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.601–E. Price information for the securities and other financial instruments held by the Funds will be available through major market data vendors or exchanges listing and trading such securities and other financial instruments. One-hundred percent of the value of a Fund's Portfolio Positions (except for cash, cash equivalents and Treasury securities) at the time of purchase will be listed on national securities exchanges (or, in the limited case of index futures contracts, futures exchanges). The listing and trading of such securities is subject to rules of the exchanges on which they are listed and traded, as approved by the Commission. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, certain exchange-traded equities, ETFs, ETNs and futures with other markets and other entities that are members of the ISG, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading such securities and financial instruments from such markets and other entities. In addition, the Exchange may obtain information regarding trading in such securities and financial instruments from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

With respect to the Funds, the Exchange believes that a Fund's Proxy Portfolio, together with the real-time dissemination of a Fund's INAV, as well as the Portfolio Overlap, Daily Deviations, Empirical Percentiles and Tracking Error data as well as the right of Authorized Participants to create and redeem each day at the NAV, will be sufficient for market participants to value and trade Shares in a manner that will not lead to significant deviations between the Shares' Bid/Ask Price and NAV.

The pricing efficiency with respect to trading a series of Managed Portfolio Securities will not generally rest on the ability of market participants to arbitrage between the Shares and a Fund's portfolio, but rather on the ability of market participants to assess a Fund's underlying value accurately enough throughout the trading day in order to hedge positions in Shares effectively. Professional traders will buy Shares that they perceive to be trading at a price less than that which will be available at a subsequent time, and sell Shares they perceive to be trading at a price higher than that which will be available at a subsequent time. It is expected that, as part of their normal day-to-day trading activity, market makers assigned to Shares by the Exchange, off-exchange market makers, firms that specialize in electronic trading, hedge funds and other professionals specializing in short-term, non-fundamental trading strategies will assume the risk of being ''long'' or ''short'' Shares through such trading and will hedge such risk wholly or partly by simultaneously taking positions in correlated assets [32] or by netting the exposure against other, offsetting trading positions—much as such firms do with existing ETFs and other equities. Disclosure of the Proxy Portfolio, Portfolio Overlap, the Daily Deviation (for the last rolling one-year period), Empirical Percentiles and Tracking Error of the Proxy Portfolio, a Fund's investment objective and principal investment strategies in its prospectus and SAI, along with the dissemination of the INAV every 15 seconds, should permit professional investors to engage readily in this type of hedging activity.[33]

It is expected that market participants will utilize the Proxy Portfolio as a pricing signal and high quality hedging vehicle, analyze the Portfolio Overlap, Daily Deviation (for the last rolling one-year period), Empirical Percentiles and Tracking Error of the Proxy Portfolio, and gain experience with how various market factors (*e.g.,* general market movements, sensitivity or correlations of the Proxy Portfolio to intraday movements in interest rates or commodity prices, other benchmarks, etc.) affect the value of the Proxy Portfolio in order to determine how best to hedge long or short positions taken in Shares in a manner that will permit them to provide a Bid/Ask Price for Shares that is near to the value of the Proxy Portfolio throughout the day. The ability of market participants to accurately hedge their positions should serve to minimize any divergence between the secondary market price of the Shares and a Fund's NAV, as well as create liquidity in the Shares. With respect to trading of Shares of the Funds, the ability of market participants to buy and sell Shares at prices near the NAV is dependent upon their assessment that the value of the Proxy Portfolio is a reliable, indicative real-time value for a Fund's underlying

[32] Price correlation trading is used throughout the financial industry. It is used to discover both trading opportunities to be exploited, such as currency pairs and statistical arbitrage, as well as for risk mitigation such as dispersion trading and beta hedging. These correlations are a function of differentials, over time, between one or multiple securities pricing. Once the nature of these price deviations have been quantified, a universe of securities is searched in an effort to, in the case of a hedging strategy, minimize the differential. With the Proxy Portfolio identified, a trader can minimize portfolio risk by executing the hedging basket. The trader then can monitor the performance of the Proxy Portfolio throughout the trade period, making corrections where warranted.

[33] With respect to trading in Shares of the Funds, market participants can manage risk in a variety of ways. It is expected that market participants will be able to determine how to trade Shares at levels approximating the INAV without taking undue risk by utilizing the Proxy Portfolio directly as a hedge, analyzing the Daily Deviation (for the last rolling one-year period), Empirical Percentiles and Tracking Error of the Proxy Portfolio, gaining experience with how various market factors (*e.g.,* general market movements, sensitivity of the value of the Proxy Portfolio to intraday movements in interest rates or commodity prices, etc.) affect value of the Proxy Portfolio, and by finding hedges for their long or short positions in Shares using instruments correlated with such factors.

holdings. Market participants are expected to accept the value of the Proxy Portfolio as a reliable, indicative real-time value because (1) the Proxy Portfolio will be determined such that at least 80% of its total assets will overlap with the portfolio weightings of the Fund, (2) the securities in which the Funds plan to invest are generally highly liquid and actively traded and therefore generally have accurate real time pricing available, and (3) market participants will have a daily opportunity to evaluate whether the value of the Proxy Portfolio at or near the close of trading is predictive of the actual NAV.

The disclosure of a Fund's Proxy Portfolio and the ability of Authorized Participants to create and redeem each Business Day at the NAV, will be crucial for market participants to value and trade Shares in a manner that will not lead to significant deviations between the Shares' Bid/Ask Price and NAV.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Exchange will obtain a representation from the issuer of an issue of Managed Portfolio Securities that the NAV per share of such issue will be calculated daily and that the NAV and Portfolio Positions will be made available to all market participants at the same time. Investors can also obtain a fund's SAI, shareholder reports, and its Form N–CSR and Form N–CEN. A fund's SAI and shareholder reports will be available free upon request from the applicable fund, and those documents and the Form N–CSR and Form N–CEN may be viewed on-screen or downloaded from the Commission's website.

In addition, with respect to the Funds, a large amount of information will be publicly available regarding the Funds and the Shares, thereby promoting market transparency. Quotation and last sale information for the Shares will be available via the CTA high-speed line. Information regarding the INAV will be widely disseminated every 15 seconds throughout the Exchange's Core Trading Session by one or more major market data vendors. The website for the Funds will include a form of the prospectus for the Funds that may be downloaded, and additional data relating to NAV and other applicable quantitative information, updated on a daily basis. Moreover, prior to the commencement of trading, the Exchange will inform its ETP Holders in a Bulletin of the special characteristics and risks associated with trading the Shares. Trading in Shares of a Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. Trading in the Shares will be subject to NYSE Arca Rule 8.601–E(d)(2)(D), which sets forth circumstances under which Shares of the Funds may be halted. In addition, as noted above, investors will have ready access to the INAV, the Proxy Portfolio, and quotation and last sale information for the Shares. The Shares will conform to the initial and continued listing criteria under proposed Rule 8.601–E.

The value of a Fund's Portfolio Positions will (a) be listed on an exchange and the primary trading session of such exchange will substantially overlap with the Exchange's Core Trading Session, as defined in Rule 7.34–E(a); (b) with respect to exchange-traded futures, be listed on a U.S. futures exchange; or (c) consist of cash and cash equivalents.[34]

The proposed rule change is designed to improve the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, with respect to the Funds, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding the Proxy Portfolio, Portfolio Overlap, Daily Deviation, Empirical Percentiles, Tracking Error, the INAV, and quotation and last sale information for the Shares.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,[35] the Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change would permit listing and trading of another type of actively-managed ETF that has characteristics different from existing actively-managed and index ETFs, including that the portfolio is disclosed at least once quarterly as opposed to daily, and would introduce additional competition among various ETF products to the benefit of investors.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

• Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or

• Send an email to *rule-comments@sec.gov.* Please include File Number SR–NYSEArca–2019–92 on the subject line.

Paper Comments

• Send paper comments in triplicate to: Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSEArca–2019–92. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the

[34] *See* note 10, *supra.*

[35] 15 U.S.C. 78f(b)(8).

Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEArca–2019–92 and should be submitted on or before January 24, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[36]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2019–28411 Filed 1–2–20; 8:45 am]

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[36] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87870; File No. SR–NASDAQ–2019–095]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the Exchange's All-Inclusive Annual Listing Fees for Exchange Traded Products

December 30, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1], and Rule 19b–4 thereunder,[2] notice is hereby given that on December 23, 2019, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to modify the Exchange's all-inclusive annual listing fees for exchange traded products under Nasdaq Rule 5940(b). While changes proposed herein are effective upon filing, the Exchange has designated the proposed amendments to be operative on January 2, 2020. Therefore, any exchange traded product that lists on Nasdaq before January 2, 2020 will be subject to the rule as in effect before this amendment.[3]

The text of the proposed rule change is available on the Exchange's website at *http://nasdaq.cchwallstreet.com,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to modify the Exchange's all-inclusive annual listing fees (''All-Inclusive Annual Listing Fee'') for exchange traded products (''ETPs'') under Nasdaq Rule 5940(b).[4] As stated in Nasdaq Rule 5940(b)(1), the issuer of a series of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares or other security listed under the Nasdaq Rule 5700 Series where no other fee schedule is specifically applicable listed on The Nasdaq Global Market pays to Nasdaq an All-Inclusive Annual Listing Fee, calculated on total shares outstanding (''TSO'')[5] and as set forth in Nasdaq Rule 5940(b)(1).[6] The proposed rule changes are designed to incentivize issuers to list new products, transfer existing products to the Exchange, and retain listings on the Exchange, which the Exchange believes will enhance competition both among issuers and listing venues, to the benefit of investors. In addition, and as described below, the proposed fee changes will also allow for increased investment by the Exchange into its ETP business and allow for enhancements that will benefit issuers of Nasdaq-listed ETPs and their investors.

The fees in the current All-Inclusive Annual Listing Fee schedule have remained unchanged for more than 17 years since they were first adopted back in 2002.[7] The ETP world has evolved greatly since 2002 when ETPs in the U.S. numbered approximately 130 with total net assets of $102 billion. Compare this to 2018 when the number of ETPs in the U.S. had grown to over 2,300 with $3.37 trillion in total net assets.[8]

Under the current All-Inclusive Annual Listing Fees schedule, included below, there are 17 pricing tiers. The tiers begin with the lowest pricing tier of $6,500 for TSOs of up to 1 million to the top pricing tier of $14,500 for TSOs over 16 million.

As detailed in the charts below, the proposed new fee schedule reduces the number of pricing tiers from 17 to 10. The 10 new proposed pricing tiers begin with the lowest pricing tier of up to 1 million TSO to the top pricing tier for over 250 million TSO. The proposed All-Inclusive Annual Listing Fees range from $6,000 to $50,000. In each case, the All-Inclusive Annual Listing Fee will be based on a sponsor's[9] aggregate TSO.

As a result of the Exchange simplifying the pricing tiers for its All-

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Nasdaq will maintain in its online rule book, until January 2, 2020, a link to the text of the rule as in effect before this amendment.

[4] *See* Nasdaq Rule 5940(b).

[5] In addition, proposed Nasdaq Rule 5940(b)(3) would calculate TSO as ''the aggregate number of shares, issued by one or more Companies with the same sponsor, of Portfolio Depository Receipts, Index Fund Shares, Managed Fund Shares or other security listed under the Nasdaq Rule 5700 Series where no other fee schedule is specifically applicable, listed on The Nasdaq Global Market as shown in the Company's most recent periodic report required to be filed with the Company's appropriate regulatory authority or in more recent information held by Nasdaq. For purposes of this rule, ''sponsor'' is defined as an investment adviser (or investment advisers who are ''affiliated persons'' as defined in Section 2(a)(3) of the Investment Company Act of 1940, as amended) to one or more Companies.''

[6] *See* Nasdaq Rule 5940(b)(1).

[7] *See* Securities Exchange Act Release No. 45920 (May 13, 2002), 67 FR 35605 (May 20, 2002) (SR–NASD–2002–45).

[8] *See* M. Sznuguera. Number of ETPs in the U.S. 2000–2018 (Mar. 15, 2019) (Graph); Total net assets of ETFs in the U.S. 2002–2018 (May 10, 2019) (Graph). Retrieved from Statista database.

[9] As proposed, the term ''sponsor'' is defined as an investment adviser (or investment advisers who are ''affiliated persons'' as defined in Section 2(a)(3) of the Investment Company Act of 1940, as amended) to one or more Companies.